



State of California
Gray Davis, Governor
Business, Transportation and Housing
Agency

980 Ninth Street
Suite 500
Sacramento, CA 95814
916-322-7550
916-324-3968 fax

October 31, 2002

Daniel Zingale
Director
Department of Managed Health Care
980 Ninth Street, Suite 800
Sacramento, CA 95814

Dear Mr. Zingale:

In accordance with the requirements of the Knox-Keene Health Care Service Plan Act (the "Knox-Keene Act"),¹ this constitutes the October 2002 Annual Report of the Advisory Committee on Managed Health Care ("Advisory Committee").

The Advisory Committee has worked during the past year to assist the Department of Managed Health Care ("the Department") in its continuing effort to ensure a more solvent and stable health care system that is responsive to the needs of consumers.

¹ Section 1347(c), added by Assembly Bill 78 (Chapter 525, Statutes of 1999), describes the purpose and responsibilities of the Advisory Committee on Managed Health Care as follows: "The purpose of the committee is to assist and advise the director in the implementation of the director's duties under this chapter and to make recommendations that it deems beneficial and appropriate as to how the department may best serve the people of the state. The committee shall produce an Internet-accessible annual public report that will, at a minimum, contain recommendations made to the director. At a minimum, the report shall include the following:

(1) Recommendations to the director on producing a report card to the public on the comparative performance of the managed care organizations overseen by the department, including health care service plans and subcontracting providers, building on the work of the private sector and other government entities and including complaint information received by the state.

(2)(A) The committee's top five recommendations for improving the health care delivery system and quality of care taking into consideration information received from the public.

(B) To assist the committee in formulating its recommendations, the views and suggestions of the public should be solicited. The committee shall accompany the director at least twice each year for public hearings (with at least one in northern California and at least one in southern California).

(C) This report shall be delivered to the director, the Governor, and to the appropriate policy committees of the Legislature."

The Advisory Committee met three times since publication of the 2001 Annual Report; a summary of topics discussed follows. Although the Advisory Committee made no formal recommendations to the Department during the reporting period, it continues to meet quarterly and any future recommendations will be reported in the next Annual Report.

April 4, 2002 Meeting

Agenda items included:

Committee Objectives for 2002, the objective of which was to review objectives and committee activities for 2002.

Timely Access to Care – Current Law, Regulations, and Issues to Consider, the objective of which was to review current Knox-Keene Act requirements and regulations and discuss the Department's activities.

Timely Access to Care – Stakeholder Perspectives, the objective of which was to receive and discuss stakeholder perspectives on current requirements and issues.

Discussion: Prioritizing Access Issues to be Addressed in 2002, the objective of which was to discuss and prioritize issues to be addressed by the Advisory Committee in 2002 (e.g., rural, chronically ill, and children).

No formal recommendations were made at this meeting.

June 19, 2002 Meeting

Agenda items included:

Timely Access to Care – Challenges Facing California Consumers, the objective of which was to review and discuss data on access complaints reported to the HMO Help Center and identified through HMO oversight.

Timely Access to Care – Provider Access and Availability, the objective of which was to receive and discuss the findings of a recent California Health Care Foundation Roundtable on Provider Supply and Accessibility and an update to research related to standards for timely access.

California Prevention Report, the objective of which was to review and discuss highlights from the California Prevention Report and the Department's prevention initiative.

California HMO Year Two Report Card, the objective of which was to review and discuss the California HMO Year Two Report Card, including provider group measurement and the status of the cultural and linguistic standards working group.

No formal recommendations were made at this meeting.

September 3, 2002 Meeting

Agenda items included:

AB 2179, which, among other objectives, would require the Department to develop regulations on access to health care and authorize the Director to assess an administrative penalty against a plan in specified circumstances for its failure to comply with requirements concerning timely access to care.

“Pay for Performance” Initiative, the objective of which was to review and discuss the “pay for performance” initiative, which evaluates quality and service measures, including access to timely care, reported by medical groups.

Current HMO Standards for Provider Accessibility, the objective of which was to receive and discuss health plan perspectives on plan standards for timely access to care, including policies for evaluating and improving patient access.

Proposed Advisory Committee Annual Report, to discuss the Committee’s Annual Report and future recommendations to the Director.

Next Steps, to review and discuss priorities for the Advisory Committee’s fourth quarter meeting.

No formal recommendations were made at this meeting.

The Department’s website, www.dmh.ca.gov, may be consulted for copies of background documentation that assisted the Advisory Committee in considering these important issues.

Over the next year, the Advisory Committee will continue to devote much of its time to fact-finding and stakeholder discussion about the issue of timely access to health care. The Legislature recently passed and Governor Davis signed two bills related to this issue: AB 2179 (Cohn) and AB 1282 (Cardoza). The bills require the Department to develop guidelines and regulations regarding access to health care services for HMO patients, including the consideration of standards for rural counties. We anticipate that the Advisory Committee will serve as a forum for many of the public discussions on these issues and may make recommendations to the Director on this subject.

Sincerely,

Joy Higa
Deputy Director for Plan and Provider Relations